

1 AN ACT concerning electronic funds transfer.

2 Be it enacted by the People of the State of Illinois,
3 represented in the General Assembly:

4 Section 5. The State Comptroller Act is amended by
5 changing Section 9.03 as follows:

6 (15 ILCS 405/9.03) (from Ch. 15, par. 209.03)

7 Sec. 9.03. Direct deposit of State payments. The
8 Comptroller, with the approval of the State Treasurer, may
9 provide by rule or regulation for the direct deposit of any
10 payment lawfully payable from the State Treasury and in
11 accordance with federal banking regulations including but not
12 limited to payments to (i) persons paid from personal
13 services, (ii) persons receiving benefit payments from him
14 under the State pension systems, (iii) individuals who
15 receive assistance under Articles III, IV, and VI of the
16 Illinois Public Aid Code, (iv) providers of services under
17 the Mental Health and Developmental Disabilities
18 Administrative Act, (v) providers of community-based mental
19 health services, and (vi) providers of services under
20 programs administered by the State Board of Education, in the
21 accounts of those persons or entities maintained at a bank,
22 savings and loan association, or credit union, where
23 authorized by the payee. The Comptroller also may deposit
24 public aid payments for individuals who receive assistance
25 under Articles III, IV, VI, and X of the Illinois Public Aid
26 Code directly into an electronic benefits transfer account in
27 a financial institution approved by the State Treasurer as
28 prescribed by the Illinois Department of Human Services and
29 in accordance with the rules and regulations of that
30 Department and the rules and regulation adopted by the
31 Comptroller and the State Treasurer. The Comptroller, with

1 the approval of the State Treasurer, may provide by rule for
2 the electronic direct deposit of payments to public agencies
3 and any other payee of the State. The electronic direct
4 deposits may be made to the designated account in those
5 financial institutions specified in this Section for the
6 direct deposit of payments. Within 6 months after the
7 effective date of this amendatory Act of 1994, the
8 Comptroller shall establish a pilot program for the
9 electronic direct deposit of payments to local school
10 districts, municipalities, and units of local government. The
11 payments may be made without the use of the voucher-warrant
12 system, provided that documentation of approval by the
13 Treasurer of each group of payments made by direct deposit
14 shall be retained by the Comptroller. The form and method of
15 the Treasurer's approval shall be established by the rules or
16 regulations adopted by the Comptroller under this Section.

17 Within 6 months after the effective date of rules adopted
18 by the Comptroller pursuant to this Amendatory Act of the
19 92nd General Assembly, all payments made by a State agency,
20 excluding payments under the Illinois Income Tax Act, must be
21 made by electronic funds transfer.

22 The Comptroller may waive application of the mandatory
23 provisions of this Section with respect to (i) payments for
24 individuals, entities, or classes of individuals or entities
25 for whom compliance imposes a hardship, including when a
26 recipient does not have an account at a financial
27 institution; (ii) classifications or types of checks; and
28 (iii) other circumstances when it is deemed necessary. The
29 Comptroller must establish any waivers within rules
30 implementing this Section.

31 Each recipient of a State payment required to be made by
32 electronic funds transfer must provide to the Comptroller, or
33 as required in rules adopted by the Comptroller applicable to
34 the State agency that makes or authorizes a payment, the

1 information necessary for the recipient to receive electronic
2 funds transfer payments through one or more financial
3 institutions or other authorized agents.

4 Upon adoption of rules by the Comptroller, State agencies
5 must notify payees of the payee's rights and obligations
6 under this Section and the implementing rules. Thereafter,
7 State agencies must require as a condition of a contract for
8 goods or services that the payee agree to receive all
9 payments under the contract electronically unless the payee
10 qualifies for a waiver established under rules adopted by the
11 Comptroller. The rules adopted by the Comptroller under this
12 Section may require State agencies to (i) require qualified
13 payees to provide information necessary to make an electronic
14 payment as a part of a proper request for payment and (ii)
15 submit that information to the Comptroller as part of a
16 proper voucher.

17 The Comptroller must adopt rules implementing the
18 provisions of this amendatory Act of the 92nd General
19 Assembly.

20 (Source: P.A. 88-641, eff. 9-9-94; 88-643, eff. 1-1-95;
21 89-235, eff. 8-4-95; 89-507, eff. 7-1-97.)

22 Section 99. Effective date. This Act takes effect on
23 January 1, 2002.